extension of educational facilities, for improvements in the methods of teaching, and for higher standards of instruction. The evils lie in the existence of a large number of Unrecognised Private Schools, which cannot be made to conform to departmental standards, in the want of good buildings and equipment for Elementary Schools generally, and in the circumstance that inspection has been hitherto neither adequate nor sufficiently intelligent. The appointment of a Director was created, because it was felt that there should be no further delay in putting the large volume of the educational work in the State under the control of an expert head, whose advice may with safety be accepted by Government in defining their educational policy, and who may be trusted to carry out any policy that may be laid down for his guidance.

24. The Education Code:—Since the close of the year, the newly appointed Director drafted and submitted an Education Code, which has been passed with certain modifications and which has come into operation from the beginning of 1910. The new Code has replaced the old Educational Rules and the Grant-in-aid Code of 1070, both of which had been in operation for about fifteen years. Considerable changes having taken place during that period, the necessity arose for re-enacting the Rules after taking note of those changes. As the new Code has already been widely published, I do not propose to say anything about its provisions, but would content myself with remarking that His Highness' Government are aware that many of the provisions are in the direction of increased stringency; but stringency is what is needed just now in the matter of education.

25. Primary Education:— The opportunity of enacting a new Code has been taken advantage of by Government to arrange for the complete abolition of fees in Classes I to IV of all Recognised Elementary Schools. Primary Education will hereafter be wholly free.

Finance.

26. The revenue of the State rose from Rs. 1,05,32,000 to Rs. 1,16,98,000. and the expenditure from Rs. 1,04,75,000 to Rs. 1,11,90,000. The surplus of the year was Rs. 5,08,000, as against Rs. 57,000 in the preceding year. I am glad that the anticipation made last year, that the State was entering on an era of financial prosperity, is being fulfilled. To prevent misapprehension, however, I must at once say that the circumstance that the State has entered on, what I hope would be, a series of surplus years, is not particularly due to anything done within the last two or three years. The machinery of a Government generally works so slowly, that it cannot be possible for anybody, by any sudden action, to convert a series of deficit years into a series of surplus years. So far as Travancore is concerned, its recurring deficits, which gave rise in the past to such needless alarm, was due to the policy, deliberately adopted, of spending a large amount of its Reserve Balance on the Kodayar works. In addition, the Survey and Settlement of the State were being done, and this entailed heavy expenditure. The result was a series of deficits. Thanks to the wisdom of the policy adopted five years ago, to push on Settlement work to completion, the Land Revenue has been since rapidly rising, while the expenditure on the Settlement Department has begun to go down. Again, the substantial increase in the revenue derived from Salt, Excise and Customs, must be due to some extent to the re-organisation of the

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